

# CalPERS

## Asset Allocation as of October 31, 2007

Total Fund Market Value: **\$260,644,026,508**

	Global Equity <sup>1</sup>	Domestic Equity	International Equity	AIM	Global Fixed	Domestic Fixed	International Fixed	Cash <sup>2,5</sup>	Real Estate	Total Fund
<b>Strategic Target Range %</b>	<b>61-71%</b>			3-9%	<b>21-31%</b>				<b>4-12%</b>	
Strategic Target %	66.0%	40.0%	20.0%	6.0%	26.0%	23.0%	3.0%	0.0%	8.0%	N/A
Cash Market Investment %	64.8%	35.9%	21.4%	7.5%	26.0%	23.2%	2.8%	0.8%	8.4%	N/A
Tactical Overlay %	0.5%	0.3%	0.2%					(0.5%)		N/A
Effective Investment %	65.3%	36.2%	21.6%	7.5%	26.0%	23.2%	2.8%	0.3%	8.4%	N/A
<b>Variance % (Strategic vs. Effective)</b>	<b>(0.7%)</b>	<b>(3.8%)</b>	<b>1.6%</b>	<b>1.5%</b>	<b>(0.0%)</b>	<b>0.2%</b>	<b>(0.2%)</b>	<b>0.3%</b>	<b>0.4%</b>	N/A
Strategic Target \$ <sup>3</sup>	\$172.0	\$104.3	\$52.1	\$15.6	\$67.8	\$59.9	\$7.8	\$0	\$20.9	N/A
Cash Market Investment \$ <sup>3,4</sup>	\$168.9	\$93.6	\$55.8	\$19.5	\$67.7	\$60.4	\$7.4	\$2.2	\$21.9	N/A
Tactical Overlay \$ <sup>3</sup>	\$1.3	\$0.9	\$0.4					(\$1.3)		N/A
Effective Investment \$ <sup>3,4</sup>	\$170.2	\$94.4	\$56.2	\$19.5	\$67.7	\$60.4	\$7.4	\$0.9	\$21.9	N/A
<b>Variance \$(Strategic vs. Effective) <sup>3,4</sup></b>	<b>(\$1.8)</b>	<b>(\$9.8)</b>	<b>\$4.1</b>	<b>\$3.9</b>	<b>(\$0.0)</b>	<b>\$0.4</b>	<b>(\$0.5)</b>	<b>\$0.9</b>	<b>\$1.0</b>	N/A
% Passive	52.3%	67.5%	45.2%	0.0%	0.0%	0.0%	0.0%	0.0%	5.8%	33.9%
% Active	47.7%	32.5%	54.8%	100.0%	100.0%	100.0%	100.0%	100.0%	94.2%	66.1%
% Internal	56.7%	73.3%	48.8%	0.0%	89.1%	100.0%	0.0%	100.0%	5.8%	61.2%
% External	43.3%	26.7%	51.2%	100.0%	10.9%	0.0%	100.0%	0.0%	94.2%	38.8%

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\* MDP Venture accounts included in MDP's primary asset class. MDP Fixed, CalPERS Hedge Fund, and Enhanced Index Equity roll to External Domestic Equity.

<sup>1</sup> Includes AIM

<sup>2</sup> Cash includes SMIF at STO.

<sup>3</sup> (\$ Billion)

<sup>4</sup> Based upon Trade Date Accounting as recommended by CFA Institute GIPS Standards.

<sup>5</sup> Approximately \$1.3 Billion notional in Equity Futures were purchased to equitize cash.

Private Market Commitment as of October 31, 2007									
AIM					Real Estate				
Funded	\$(in Billions)	% Allocation	Target Range		Funded	\$(in Billions)	% Allocation	Target Range	
Fair Market Value (FMV)	\$19.49	7.5%	3-9%		Fair Market Value (FMV)	\$21.88	8.4%	4-12%	
Unfunded Commitment	<u>\$22.20</u>	8.5%			Unfunded Commitment	<u>\$16.03</u>	6.1%		
<b>Fair Market Value plus Unfunded Commitment</b>	<b>\$41.69</b>	<b>16.0%</b>			<b>Fair Market Value plus Unfunded Commitment</b>	<b>\$37.91</b>	<b>14.5%</b>		

# CalPERS Total Fund Top 20 Company Exposures

Based on Total Market Values as of 10/31/2007

Company Name	Equity Exposure			Total Equity Market Value	Fixed Income Exposure				Total FI Market Value	Real Estate Exposure <sup>(1)</sup>	TOTAL Market Value	% of Total Fund <sup>(3)</sup>
	Internally Managed Active	Externally Managed Passive	Externally Managed Active		Internal	External	Sec. Lending <sup>(2)</sup>					
GENERAL ELECTRIC	210,860,663	1,326,817,296	344,458,820	1,882,136,779	356,557,912	32,067,476	975,809,234	1,364,434,622			3,246,571,401	0.87%
EXXON MOBIL CORP	311,186,348	1,643,879,698	441,956,572	2,397,022,618				0			2,397,022,618	0.92%
MICROSOFT CORP	237,761,937	1,101,182,193	325,163,454	1,664,107,584				0			1,664,107,584	0.64%
CITIGROUP INC	97,270,263	650,690,240	191,628,393	939,588,896	162,390,764	19,146,041	274,210,750	455,747,555			1,395,336,451	0.43%
BERKSHIRE HATHAWAY	265,673,102	649,250,000	2,650,000	917,573,102	381,709,691		50,021,795	431,731,486			1,349,304,588	0.50%
AT&T INC	124,839,058	812,899,080	242,224,911	1,179,963,049				0			1,179,963,049	0.45%
BANK OF AMERICA CORP	75,209,956	683,031,644	164,571,650	922,813,250	165,588,236	10,176,470		175,764,706			1,098,577,956	0.42%
WAL MART STORES INC	127,220,741	589,235,493	125,498,457	841,954,691	178,359,731	3,119,930		181,479,661			1,023,434,352	0.39%
GOOGLE INC.	132,732,180	682,679,200	191,833,138	1,007,244,518				0			1,007,244,518	0.39%
CHEVRONTXACO CORP	174,966,754	619,229,868	206,626,652	1,000,823,274				0			1,000,823,274	0.38%
AMERICAN INTL GROUP INC	83,682,097	513,146,664	136,568,326	733,397,087	147,100,470	8,685,609	100,073,000	255,859,079			989,256,166	0.34%
JPMORGAN CHASE & CO	64,990,613	509,638,960	212,304,593	786,934,166	150,411,010			150,411,010			937,345,176	0.36%
CONOCOPHILLIPS	103,576,690	444,425,760	132,539,214	680,541,664	237,574,121			237,574,121			918,115,785	0.35%
CISCO SYSTEMS INC.	53,280,851	635,138,802	202,284,652	890,704,305	14,831,896			14,831,896			905,536,201	0.35%
PROCTER + GAMBLE CO	55,122,825	686,085,928	142,134,335	883,343,088	14,476,002			14,476,002			897,819,090	0.34%
PFIZER INC	121,293,412	549,113,086	191,223,908	861,630,406	16,187,855			16,187,855			877,818,261	0.34%
JOHNSON + JOHNSON	104,774,526	591,098,417	146,074,905	841,947,848	13,392,062			13,392,062			855,339,910	0.33%
VERIZON COMMUNICATIONS	40,777,294	405,609,494	145,968,188	592,354,976	262,930,750			262,930,750			855,285,726	0.33%
GOLDMAN SACHS GROUP	75,950,292	318,750,744	137,814,265	532,515,301	276,801,220	20,246,277		297,047,497			829,562,798	0.32%
INTERNATIONAL BUSINESS I	134,678,647	507,165,712	162,783,286	804,627,645	7,887,852	6,734,038		14,621,890			819,249,535	0.31%

(1) Real Estate exposure data only includes the 20 companies with the highest annual lease revenues for each core partnership, excludes properties in escrow. The market value exposures are calculated based only on two years of expected lease revenues.

(2) Does not include Repos

(3) Excludes securities lending exposure

# TARGET PERCENTAGE COMPARISON ASSET ALLOCATION<sup>1</sup>

As of October 31, 2007

(A)	(B)	(C)	(D)	(E)	(F)
<u>Asset Class</u>	<u>Cash Market Allocation</u>	<u>Effective Allocation</u>	<u>Target<sup>2</sup></u>	<u>Target Range<sup>2</sup></u>	<u>Difference (C-D)</u>
<b>Cash Equivalents</b>	<b>0.8 %</b>	<b>0.3 %</b>	<b>0.0 %</b>		<b>0.3 %</b>
Domestic Fixed Income	<b>23.2</b>	<b>23.2</b>	<b>23.0</b>		<b>0.2</b>
International Fixed Income	<u><b>2.8</b></u>	<u><b>2.8</b></u>	<u><b>3.0</b></u>		<u><b>-0.2</b></u>
<b>Global Fixed Income</b>	<b>26.0</b>	<b>26.0</b>	<b>26.0</b>	<b>21-31 %</b>	<b>0.0</b>
AIM	<b>7.5</b>	<b>7.5</b>	<b>6.0</b>	<b>3-9 %</b>	<b>1.5</b>
Domestic Equity <sup>3</sup>	<b>35.9</b>	<b>36.2</b>	<b>40.0</b>		<b>-3.8</b>
International Equity	<u><b>21.4</b></u>	<u><b>21.6</b></u>	<u><b>20.0</b></u>		<u><b>1.6</b></u>
<b>Global Equity</b>	<b>64.8</b>	<b>65.3</b>	<b>66.0</b>	<b>61-71 %</b>	<b>-0.7</b>
<b>Real Estate</b>	<b>8.4</b>	<b>8.4</b>	<b>8.0</b>	<b>4-12 %</b>	<b>0.4</b>
<b>Total Fund</b>	<u><u><b>100.0 %</b></u></u>	<u><u><b>100.0%</b></u></u>	<u><u><b>100.0 %</b></u></u>		

<sup>1</sup> As allocated to managers.

<sup>2</sup> Asset Allocation Workshop, October 2004.

<sup>3</sup> Included is MDP Investment: LM Capital Investment: Total Market Value=**\$199.1 million**.

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When summing net amounts on this report, there may be breakage.

# TARGET DOLLAR COMPARISON ASSET ALLOCATION

As of October 31, 2007

(A) <u>Asset Class</u>	(B) <u>Cash Market Allocation</u> (\$ Billion)	(C) <u>Effective Allocation</u> (\$ Billion)	(D) <u>Target<sup>1</sup></u> (\$ Billion)	(E) <u>Difference (C-D)</u> (\$ Billion)
<b>Cash Equivalents</b>	2.2	0.9	0.0	0.9
Domestic Fixed Income	60.4	60.4	59.9	0.4
International Fixed Income	<u>7.4</u>	<u>7.4</u>	<u>7.8</u>	<u>-0.5</u>
<b>Global Fixed Income</b>	67.7	67.7	67.8	0.0
AIM	19.5	19.5	15.6	3.9
Domestic Equity <sup>2</sup>	93.6	94.4	104.3	-9.8
International Equity	<u>55.8</u>	<u>56.2</u>	<u>52.1</u>	<u>4.1</u>
<b>Global Equity</b>	168.9	170.2	172.0	-1.8
<b>Real Estate</b>	21.9	21.9	20.9	1.0
<b>Total Fund</b>	<u><u>260.6</u></u>	<u><u>260.6</u></u>	<u><u>260.6</u></u>	

<sup>1</sup> Based upon Strategic Asset Allocation Target Percentage of total fund, from Asset Allocation Workshop October 2004.

<sup>2</sup> Included is MDP Investment: LM Capital Investment: Total Market Value= **\$199.1 million**.

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# MONTHLY PROGRESS REPORT

## ASSET ALLOCATION

As of October 31, 2007

(A)	(B)	(C)	(D)	(E)
<u>Asset Class</u>	9/30/2007 Effective <u>Allocation</u> (\$ Billion)	10/31/2007 Effective <u>Allocation</u> (\$ Billion)	Difference <u>(C-B)</u> (\$ Billion)	<u>Target</u> <sup>2</sup> (\$ Billion)
<b>Cash Equivalents</b>	0.3	0.9	0.5	0.0
Domestic Fixed Income	59.7	60.4	0.6	59.9
International Fixed Income	<u>7.2</u>	<u>7.4</u>	<u>0.1</u>	<u>7.8</u>
<b>Global Fixed Income</b>	67.0	67.7	0.8	67.8
AIM	19.2	19.5	0.3	15.6
Domestic Equity <sup>3</sup>	94.5	94.4	0.0	104.3
International Equity	<u>53.3</u>	<u>56.2</u>	<u>2.9</u>	<u>52.1</u>
<b>Global Equity</b>	167.0	170.2	3.2	172.0
<b>Real Estate</b>	20.4	21.9	1.5	20.9
<b>Total Fund</b>	<u><u>254.6</u></u>	<u><u>260.6</u></u>	<u><u>6.0</u></u>	<u><u>260.6</u></u>

<sup>1</sup> Monthly progress report toward policy targets.

<sup>2</sup> Based upon Strategic Asset Allocation Target Percentage of total fund, from Asset Allocation Workshop October 2004.

<sup>3</sup> Included is MDP Investment: LM Capital Investment: Total Market Value= **\$199.1 million**.

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## BOOK VS MARKET VALUE

As of October 31, 2007

(A) <u>Asset Class</u>	(B) <u>Book Value</u> (\$ Billion)	(C) <u>Market Value</u> (\$ Billion)	(D) Effective <u>Market Value</u> (\$ Billion)	(E) Difference <u>(C - B)</u> (\$ Billion)
<b>Cash Equivalents</b>	2.2	2.2	0.9	0.0
Domestic Fixed Income	57.9	60.4	60.4	2.5
International Fixed Income	<u>6.9</u>	<u>7.4</u>	<u>7.4</u>	<u>0.4</u>
<b>Global Fixed Income</b>	64.8	67.7	67.7	2.9
AIM	20.3	19.5	19.5	-0.8
Domestic Equity <sup>1</sup>	54.4	93.6	94.4	39.2
International Equity	<u>41.1</u>	<u>55.8</u>	<u>56.2</u>	<u>14.7</u>
<b>Global Equity</b>	115.9	168.9	170.2	53.0
<b>Real Estate</b>	<u>18.7</u>	<u>21.9</u>	<u>21.9</u>	<u>3.2</u>
<b>Total Fund</b>	<u><u>201.6</u></u>	<u><u>260.6</u></u>	<u><u>260.6</u></u>	<u><u>59.1</u></u>

<sup>1</sup> Included is MDP Investment- LM Capital Investment: Total Book Value= **\$198.2 million**, Total Market Value=**\$199.1 million**.

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# GROSS PERFORMANCE VS EXPECTED RETURNS

One Year  
November 1, 2006 to October 31, 2007

(A)	(B)	(C)	(D)	(E)	(F)	(G)
<u>Asset Class</u>	<u>Cash Market Allocation</u>	<u>Effective Allocation</u>	<u>Asset Return</u>	<u>CalPERS Long-Term Expected Annual Return<sup>1</sup></u>	<u>Expected Standard Deviation<sup>1</sup></u>	<u>One Standard Deviation Range</u>
Cash Equivalents	0.8 %	0.3 %	5.4 %	1.5 %	1.1 %	0.4 - 2.6 %
Domestic Fixed Income	23.2	23.2	5.9			
International Fixed Income	2.8	2.8	10.2			
<b>Global Fixed Income</b>	<b>26.0</b>	<b>26.0</b>	<b>6.4</b>	<b>3.0</b>	<b>7.0</b>	<b>-4.0 - 10.0</b>
AIM	7.5	7.5	26.1	10.0	35.0	-25.0 - 45.0
Domestic Equity	35.9	36.2	15.3	7.0	17.0	-10.0 - 24.0
International Equity	21.4	21.6	28.7	7.0	19.5	-12.5 - 26.5
<b>Global Equity</b>	<b>64.8</b>	<b>65.3</b>	<b>20.0 <sup>2</sup></b>			
<b>Real Estate</b>	<b>8.4</b>	<b>8.4</b>	<b>17.1</b>	<b>5.5</b>	<b>14.0</b>	<b>-8.5 - 19.5</b>
<b>Total Fund</b>	<b>100.0</b>	<b>100.0</b>	<b>16.7</b>	<b>8.0</b>	<b>12.2</b>	<b>-4.2 - 20.2</b>

<sup>1</sup> Asset Allocation Workshop, October 2004

<sup>2</sup> Global Equity Return, does not include AIM's Return

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# NET PERFORMANCE VS EXPECTED RETURNS

One Year

November 1, 2006 to October 31, 2007

(A)	(B)	(C)	(D)	(E)	(F)	(G)
<u>Asset Class</u>	<u>Cash Market Allocation</u>	<u>Effective Allocation</u>	<u>Asset Return</u>	<u>CalPERS Long-Term Expected Annual Return<sup>1</sup></u>	<u>Expected Standard Deviation</u>	<u>One Standard Deviation Range</u>
<b>Cash Equivalents</b>	0.8 %	0.3 %	5.4 %	1.5 %	1.1 %	0.4 - 2.6 %
Domestic Fixed Income	23.2	23.2	5.9			
International Fixed Income	<u>2.8</u>	<u>2.8</u>	10.2			
<b>Global Fixed Income</b>	26.0	26.0	6.4	3.0	7.0	-4.0 - 10.0
AIM	7.5	7.5	26.1	10.0	35.0	-25.0 - 45.0
Domestic Equity	35.9	36.2	15.2	7.0	17.0	-10.0 - 24.0
International Equity	<u>21.4</u>	<u>21.6</u>	28.6	7.0	19.5	-12.5 - 26.5
<b>Global Equity</b>	64.8	65.3	19.9 <sup>2</sup>			
<b>Real Estate</b>	8.4	8.4	14.3	5.5	14.0	-8.5 - 19.5
<b>Total Fund</b>	<u>100.0</u>	<u>100.0</u>	<u>16.5</u>	<u>8.0</u>	<u>12.2</u>	<u>-4.2 - 20.2</u>

<sup>1</sup> Asset Allocation Workshop, October 2004

<sup>2</sup> Global Equity Return, does not include AIM's Return

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# GROSS RETURNS

One Year

November 1, 2006 to October 31, 2007

	(A)	(B)	(C)
<u>Asset Class</u>	<u>Reported Gross Return</u>	<u>Expenses</u>	<u>Net Return (A-B)</u>
<b>Cash Equivalents</b>	5.40%	0.00%	5.40%
Domestic Fixed Income	5.93%	0.00%	5.93%
International Fixed Income	10.21%	0.06%	10.15%
<b>Global Fixed Income</b>	6.41%	0.01%	6.40%
AIM	26.13%	0.01%	26.12%
Domestic Equity	15.28%	0.07%	15.21%
International Equity	28.71%	0.09%	28.62%
<b>Global Equity <sup>1</sup></b>	19.98%	0.07%	19.91%
<b>Real Estate</b>	17.06%	2.72%	14.34%
<b>Total Fund</b>	16.74%	0.26%	16.48%

<sup>1</sup> Global Equity Returns and Expenses do not include AIM

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM**  
**CIO REPORT**  
**GROSS RATES OF RETURN**  
**Period Ending October 31, 2007**  
**Investment Committee Meeting**

	MKT VAL (000'S)	One Month Oct 07	QTR Aug - Oct 07	FYTD 07-08	CYTD 2007	1 Year	3 Years	5 Years	10 Years
<b>TOTAL PLAN</b>									
SJ1CA1 - TOTAL FUND	260,644,027	2.16	6.25	5.29	13.07	16.74	15.62	15.50	9.28
CPERSTO2 - CALPERS POLICY INDEX (DAILY)		2.34	6.37	5.32	12.32	15.66	14.17	14.20	8.41
CPERSI02 - ACTUAL WEIGHTED TOTAL FUND INDEX (DAILY)		2.42	6.56	5.50	12.90	16.61	14.45	14.48	8.55
<b>GLOBAL EQUITY</b>									
<b>DOMESTIC</b>									
SH8CA1 - TOT DOM EQ+IND HG+ENV EX VENT, HDG, CG	85,550,230	2.10	7.02	3.53	11.82	15.50	13.91	14.91	7.49
Y082 - WILSHIRE 2500 EX TOBACCO (BLENDED) (DAILY)		2.16	7.28	3.89	12.05	15.70	13.94	14.86	7.21
<b>INTERNATIONAL - EXTERNAL</b>									
SHBCA1 - INTL TOT EXT EQ+MDP+IND HG, EX OVLY EX V	24,634,496	5.69	10.11	11.01	27.14	36.33	28.54	26.55	11.12
SHBKA1 - INTL TOT EXT EQ+MDP+IND HG+OVLY EX VT	24,399,580	5.16	8.37	8.50	24.12	32.47	27.37	24.82	10.66
CPERIN2D - CALPERS FTSE AW EX US/SSGA BLEND (DAILY)		5.68	10.55	9.99	24.14	32.25	27.00	25.95	10.81
<b>INTERNATIONAL - INTERNAL</b>									
SWEAB - INTERNAL INTL PASSIVE ALLOCATION	25,198,480	4.63	9.24	7.77	20.48	27.60			
QR32 - CALPERS FTSE DEV WORLD EX US&TOBACCO(DAI		4.60	9.11	7.65	20.20	27.28			
SWCG - INTERNATIONAL EQUITY TRANSITION	34,940	5.51	-1.49	-3.03	-5.05	0.20			
<b>HEDGE FUND INVESTMENTS</b>									
SNLCA1 - TOTAL ARS PROGRAM COMPOSITE	6,726,414	3.13	3.33	3.04	11.14	15.81	13.37	11.97	
CPERHED2 - TOTAL ARS PROGRAM BLENDED INDEX (DAILY)		0.72	2.83	3.84	9.00	10.64	8.93	10.54	
<b>CORPORATE GOVERNANCE</b>									
SWMKA1 - CORPORATE GOVERNANCE	5,973,917	1.08	1.31	-3.64	5.80	12.39	17.20	21.25	
CPERSGC2 - CALPERS CORPORATE GOVERNANCE IC (DAILY)		2.07	4.42	1.33	9.11	13.44	16.74	17.64	
<b>MDP DOM FIXED INCOME-INVESTMENTS</b>									
SN1KA1 - MDP I DOM FIXED INCOME-INVESTMENTS	199,100	1.08	3.11	3.94	5.39	6.12	4.14	5.92	
X40D - CITIGROUP BIG (DAILY)		0.94	3.06	3.99	4.92	5.50	3.97	4.52	5.95
<b>GLOBAL FIXED INCOME</b>									
<b>DOMESTIC</b>									
SJDKA1 - TOTAL DOM FIXED	59,871,149	1.20	3.53	4.59	5.35	5.93	5.11	7.23	6.97
CALCCLP2 - CALPERS CUSTOM LEH LPF (DAILY)		1.21	3.51	4.53	4.77	5.10	4.21	5.41	6.53
<b>INTERNATIONAL</b>									
SJDCA1 - TOTAL INTERNATIONAL FIXED INCOME	7,359,806	1.98	6.42	9.76	9.06	10.21	4.27	8.79	5.70
CALWGXU2 - CALPERS WORLD GOVT X US (DAILY)		1.84	6.36	9.68	8.92	10.24	4.39	8.49	5.74
<b>CASH EQUIVALENTS</b>									
SJVKA1 - TOTAL CASH	1,647,731	0.43	1.32	1.77	4.46	5.40	4.48	3.21	4.19
Y8K2 - PERS CUSTOM STIF NET OF FEES (DAILY)		0.43	1.32	1.78	4.47	5.40	4.34	3.05	3.89
<b>ALTERNATIVE INVESTMENTS</b>									
SJAIM - AIM COMPOSITE	19,489,013	0.11	6.86	11.62	25.83	26.13	23.36	16.63	13.48
<sup>(1)</sup> SJXKA1 - AIM: PARTNERSHIP & DIRECT INVESTMENTS	19,375,741	0.11	6.87	11.72	25.93	26.22	23.41	16.59	13.94
CPERYCX2 - Wilshire 2500 Plus 500 bps/CYFU Blend (Daily)		1.53	3.94	5.16	12.81	15.87	17.62	11.66	6.19
SW2V - AIM DISTRIBUTION STOCK	113,272	0.23	6.03	2.08	14.89	15.54	14.47	19.41	
<b>REAL ESTATE</b>									
SW3CA1 - CORE REAL ESTATE	10,301,793	0.00	8.05	8.05	14.38	17.90	34.33	23.90	18.90
SW7KA1 - TOTAL NON-CORE REAL ESTATE	10,108,952	0.61	3.63	2.36	9.19	15.89	29.63	25.97	16.66
ZLWD - NCREIF PROPERTY 1 QTR LAG (DAILY)		0.00	4.59	4.59	13.26	17.24	17.98	14.39	13.05
<b>INFLATION LINKED</b>									
SX2CA1 - TOTAL INFLATION LINKED (PILOT)	1,951,457	6.52							
CPERSCP4 - CPI + 400 BPS		0.60							

<sup>(1)</sup> SJXKA1 actual inception 3/90, returns only available since conversion to State Street Bank Private Real Estate valued at prior quarter-end; Public Real Estate valued at current month-end. Excludes MDP venture accounts in composites SW9C, SWDC.

This report prepared by State Street Bank

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM**  
**CIO REPORT**  
**NET RATES OF RETURN**  
**Period Ending October 31, 2007**  
**Investment Committee Meeting**

	<b>MKT VAL</b> <b>(000'S)</b>	<b>One Month</b> <b>Oct 07</b>	<b>QTR</b> <b>Aug - Oct 07</b>	<b>FYTD</b> <b>07-08</b>	<b>CYTD</b> <b>2007</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>
<b>TOTAL PLAN</b>									
SJ1CA1 - TOTAL FUND	260,644,027	2.15	6.18	5.21	12.87	16.48	15.25	15.20	9.10
CPERST02 - CALPERS POLICY INDEX (DAILY)		2.34	6.37	5.32	12.32	15.66	14.17	14.20	8.41
CPERSI02 - ACTUAL WEIGHTED TOTAL FUND INDEX (DAILY)		2.42	6.56	5.50	12.90	16.61	14.45	14.48	8.55
<b>GLOBAL EQUITY</b>									
<b>DOMESTIC</b>									
SH8CA1 - TOT DOM EQ+IND HG+ENV EX VENT, HDG, CG	85,550,230	2.10	7.01	3.52	11.80	15.47	13.89	14.89	7.47
Y082 - WILSHIRE 2500 EX TOBACCO (BLENDED) (DAILY)		2.16	7.28	3.89	12.05	15.70	13.94	14.86	7.21
<b>INTERNATIONAL - EXTERNAL</b>									
SHBCA1 - INTL TOT EXT EQ+MDP+IND HG, EX OVLY EX V	24,634,496	5.69	10.06	10.96	26.98	36.12	28.42	26.45	11.06
SHBKA1 - INTL TOT EXT EQ+MDP+IND HG+OVLY EX VT	24,399,580	5.15	8.32	8.44	23.96	32.25	27.24	24.71	10.59
CPERIN2D - CALPERS FTSE AW EX US/SSGA BLEND (DAILY)		5.68	10.55	9.99	24.14	32.25	27.00	25.95	10.81
<b>INTERNATIONAL - INTERNAL</b>									
SWEAB - INTERNAL INTL PASSIVE ALLOCATION	25,198,480	4.63	9.24	7.77	20.48	27.60			
QR32 - CALPERS FTSE DEV WORLD EX US&TOBACCO(DAILY)		4.60	9.11	7.65	20.20	27.28			
SWCG - INTERNATIONAL EQUITY TRANSITION	34,940	5.51	-1.49	-3.03	-5.05	0.20			
<b>HEDGE FUND INVESTMENTS</b>									
SNLCA1 - TOTAL ARS PROGRAM COMPOSITE	6,726,414	3.06	3.18	2.89	10.79	15.36	13.07	11.62	
CPERHED2 - TOTAL ARS PROGRAM BLENDED INDEX (DAILY)		0.72	2.83	3.84	9.00	10.64	8.93	10.54	
<b>CORPORATE GOVERNANCE</b>									
SWMKA1 - CORPORATE GOVERNANCE	5,973,917	1.06	1.29	-3.73	5.51	12.06	16.80	20.69	
CPERSGC2 - CALPERS CORPORATE GOVERNANCE IC (DAILY)		2.07	4.42	1.33	9.11	13.44	16.74	17.64	
<b>MDP DOM FIXED INCOME-INVESTMENTS</b>									
SN1KA1 - MDP I DOM FIXED INCOME-INVESTMENTS	199,100	1.08	3.08	3.91	5.32	6.00	4.00	5.73	
X40D - CITIGROUP BIG (DAILY)		0.94	3.06	3.99	4.92	5.50	3.97	4.52	5.95
<b>GLOBAL FIXED INCOME</b>									
<b>DOMESTIC</b>									
SJDKA1 - TOTAL DOM FIXED	59,871,149	1.20	3.53	4.59	5.35	5.93	5.10	7.21	6.97
CALCCLP2 - CALPERS CUSTOM LEH LPF (DAILY)		1.21	3.51	4.53	4.77	5.10	4.21	5.41	6.53
<b>INTERNATIONAL</b>									
SJDCA1 - TOTAL INTERNATIONAL FIXED INCOME	7,359,806	1.98	6.41	9.75	9.02	10.15	4.20	8.71	5.63
CALWGXU2 - CALPERS WORLD GOVT X US (DAILY)		1.84	6.36	9.68	8.92	10.24	4.39	8.49	5.74
<b>CASH EQUIVALENTS</b>									
SJVKA1 - TOTAL CASH	1,647,731	0.43	1.32	1.77	4.46	5.40	4.48	3.21	4.19
Y8K2 - PERS CUSTOM STIF NET OF FEES (DAILY)		0.43	1.32	1.78	4.47	5.40	4.34	3.05	3.89
<b>ALTERNATIVE INVESTMENTS</b>									
SJAIM - AIM COMPOSITE	19,489,013	0.10	6.86	11.61	25.82	26.12	23.34	16.62	13.47
<sup>(1)</sup> SJXKA1 - AIM: PARTNERSHIP & DIRECT INVESTMENTS	19,375,741	0.11	6.87	11.72	25.93	26.22	23.41	16.59	13.94
CPERYCX2 - Wilshire 2500 Plus 500 bps/CYFU Blend (Daily)		1.53	3.94	5.16	12.81	15.87	17.62	11.66	6.19
SW2V - AIM DISTRIBUTION STOCK	113,272	-0.03	5.75	1.47	13.14	13.78	12.95	18.06	
<b>REAL ESTATE</b>									
SW3CA1 - CORE REAL ESTATE	10,301,793	0.00	7.25	7.25	13.20	16.24	29.20	20.55	16.80
SW7KA1 - TOTAL NON-CORE REAL ESTATE	10,108,952	0.61	2.81	1.54	6.42	11.99	22.51	20.48	13.20
ZLWD - NCREIF PROPERTY 1 QTR LAG (DAILY)		0.00	4.59	4.59	13.26	17.24	17.98	14.39	13.05
<b>INFLATION LINKED</b>									
SX2CA1 - TOTAL INFLATION LINKED (PILOT)	1,951,457	6.52							
CPERSCP4 - CPI + 400 BPS		0.60							

<sup>(1)</sup> SJXKA1 actual inception 3/90, returns only available since conversion to State Street Bank Excludes MDP venture accounts in composites SW9C, SWDC.  
Private Real Estate valued at prior quarter-end; Public Real Estate valued at current month-end.

*This report prepared by State Street Bank*

**CALPERS INVESTMENT IN CALIFORNIA as of October 31, 2007**

(A)	(B)	(C)	(D)	(E)	(F)
<u>Asset Class</u>	<u>Portfolio Value</u>	<u>California (Commitment/ Investments)<sup>1</sup></u>	<u>California Investments</u>	<u>CA Investment as % of Asset Class (D/B)</u>	<u>Program Description or Assumption</u>
<u>(\$ millions)</u>	<u>(\$ millions)</u>	<u>(\$ millions)</u>	<u>(\$ millions)</u>	<u>%</u>	
<b>REAL ESTATE</b>					
Real Estate	21,880.7	8,704.4	4,866.2	22 %	Outstanding commitments (column C/column B): 39.8%
<b>EQUITY</b>					
AIM	19,489.0	2,400.0	1,900.0	10	Includes commitments through October 31, 2007
Domestic Equity	93,578.5	12,759.4	12,759.4	14	CA investment is approximately 14%
International Equity	<u>55,811.1</u>	<u>0.0</u>	<u>0.0</u>	<u>0</u>	
Global Equity	<u>168,878.6</u>	<u>15,159.4</u>	<u>14,659.4</u>	<u>9 %</u>	
<b>FIXED INCOME</b>					
Domestic Fixed Income	60,364.6	2,599.0	2,599.0	4	
International Fixed Income	<u>7,359.8</u>	<u>0.0</u>	<u>0.0</u>	<u>0</u>	
Global Fixed Income	<u>67,724.4</u>	<u>2,599.0</u>	<u>2,599.0</u>	<u>4 %</u>	
<b>CASH / CASH EQUIVALENTS</b>					
Cash / Cash Equivalents	2,160.3	0.0	0.0	0	On deposit at the Treasurer's Office: \$898.84
<b>TOTAL FUND</b>	<u>260,644.0</u>	<u>26,462.8</u>	<u>22,124.6</u>	<u>8 %</u>	<b>Outstanding commitments (column C/column B): 10.2%</b>

<sup>1</sup> Total actual investments at market value and outstanding program commitments in California